



Yemen: Recent Terrorism Designations

January 29, 2021

Overview

On January 19, 2021, the Trump Administration designated the Yemeni group *Ansar Allah* (Arabic for “the Partisans of God”), commonly referred to as [the Houthis](#), as a [Foreign Terrorist Organization](#) (FTO) and a Specially Designated Global Terrorist (SDGT). In notifying Congress, (per [8 U.S.C. §1189](#)), then-[Secretary of State Michael Pompeo](#) identified that the Houthis were closely linked to Iran and that the designations were intended to hold the Houthis accountable for terrorist acts. [The designations reportedly had been under consideration for months](#), though aid organizations repeatedly cautioned that designations would exacerbate what the United Nations presently considers the [world’s worst humanitarian crisis](#). On January 19, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) [issued general licenses](#) to allow for the continued provision of humanitarian goods to Yemen, and the Trump Administration claimed that these exemptions would mitigate any humanitarian impact. Nevertheless, the United Nations warned that the [designations would put more than 5 million people in some northern governorates at risk of famine](#) and called for them to be [lifted](#). Commercial food imports account for 90% of Yemen’s food supply and, under U.S. law, private importers are not exempt from criminal liability for material support to an FTO ([18 U.S.C. §2339B](#)). On January 25, OFAC issued [a new general license](#) exempting nearly all sanctions restrictions on transactions with the Houthis until February 26, 2021, while the policy is reviewed. A day earlier, the Houthis had announced they would participate in [U.N.-sponsored prisoner release negotiations](#).

Conflict Background

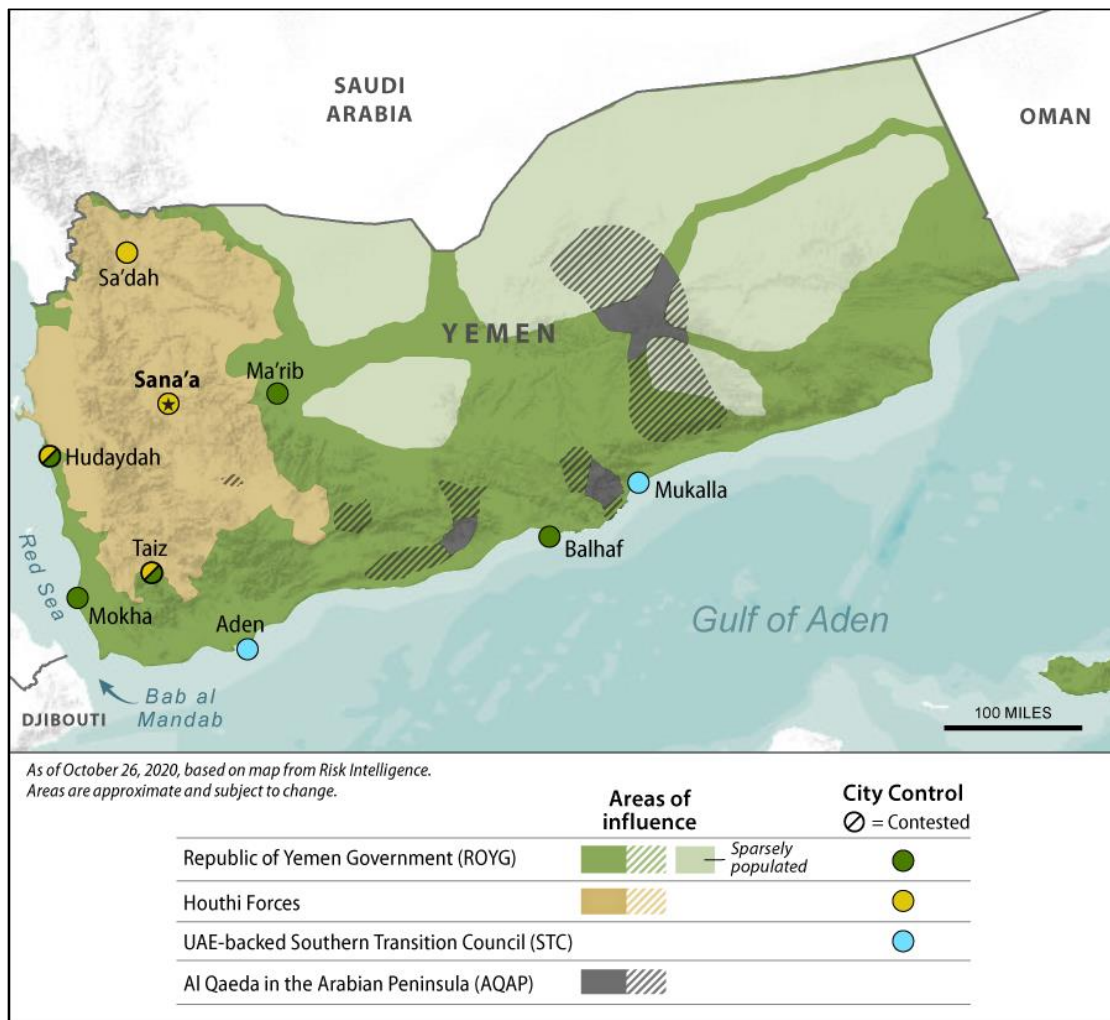
[Seven years ago](#), after a nationwide attempt at political reconciliation failed, the Houthis seized large swaths of Yemen. In 2015, Saudi Arabia and its coalition partners intervened at the behest of the Republic of Yemen government (ROYG), conducting air strikes and ground operations against Houthi-held territory (see [Figure 1](#)). Since then, conflict has continued unabated, leading to [estimates of over 130,000 Yemeni casualties](#). [U.N. officials](#) have attempted to broker a nation-wide cease-fire, but the Houthis have continued to advance militarily while using [Iranian knowledge and military aid](#) to attack Saudi Arabian territory. The war repeatedly results in civilian casualties, leading [the United Nations to charge that](#) all parties have committed violations of international humanitarian and human rights law.

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Figure I.Lines of Control in Yemen
As of October 2020



Sources: Graphic created by CRS using data from Risk Intelligence (2020); Esri (2017 & 2018); NOAA (2018); USGS (2018); Department of State (2015).

The Possible Humanitarian Impact

As a result of conflict, [80% of Yemen’s population](#) needs some form of humanitarian assistance. Food insecurity and acute malnutrition are widespread. The COVID-19 pandemic has only exacerbated this crisis. In 2020, [donor governments funded 55.9%](#) of the U.N.’s humanitarian appeal, raising concerns that any additional strain on Yemen’s economy could lead to further depreciation of the currency, a concomitant rise in food prices, and greater risk of death for an already vulnerable population.

In northern Yemen, where food insecurity is highest, the Houthis are the de facto authority, as the group has assumed control of government agencies formerly part of the ROYG in Sana’a. The Houthis also control all northern ports, where most humanitarian goods enter the country. [According to one recent study](#), it would be “practically impossible to operate in this area without interacting with the de-facto authorities.” It is possible that shipping, insurance, and banking companies, among others, may move to minimize their exposure to Houthi officials in order to comply with U.S. sanctions requirements.

Material Support and Humanitarian Aid

Under 18 U.S.C. §2339B, enacted in the Antiterrorism and Effective Death Penalty Act of 1996 (AEDPA), persons may face criminal prosecution of up to 20 years in prison if they knowingly [provide “material support or resources”](#) to an FTO. While the definition of material support excludes medicine and religious materials, [it is extensive and includes](#): currency, financial services, and training, among other things. The law has extraterritorial application in that it may apply to activities conducted outside the United States, activities affecting foreign commerce, or support by foreign persons for activities initiated under U.S. jurisdiction (18 U.S.C. §2339B(d)).

OFAC administers U.S. sanctions programs and may issue general or specific licenses to authorize humanitarian aid when dealing with designated FTOs or SDGTs ([see below](#)). While the Department of Justice (DOJ) has a responsibility to prosecute violations of material support statute, it has discretion in prioritizing its cases. U.S. officials may choose to privately offer reassurances to the humanitarian community that they would set an extremely high bar before embarking on a federal prosecution. [According to one source](#), the DOJ claims that it rarely, if ever, has pursued prosecution for material support when related to humanitarian activities. Non-governmental organizations (NGOs) and [financial institutions can be risk-averse](#) without more substantial assurance: the looming threat of sanctions prosecution can have a chilling effect.

On January 19, in concurrence with the FTO designation of the Houthis, OFAC issued [four general licenses](#) to allow humanitarian assistance and other commodities to reach Yemen even if a transaction involves the Houthis. The licenses clear the way for continued activities by NGOs to support various humanitarian projects. Finally, OFAC authorized official activities of the U.S. government and certain international organizations, such as the United Nations. In its guidance accompanying the general licenses, OFAC indicated that [“foreign financial institutions do not risk exposure”](#) to sanctions under E.O.13224 in knowingly conducting an exempted transaction with the Houthis.

The Biden Administration and Congress

The terrorist designations of the Houthis have been met with [bipartisan congressional concern](#) over their [timing, efficacy](#), possible [harm to any peace process](#), and possible humanitarian impact. Some Members wish to see the United States continue its maximum pressure campaign on Iran, while other Members have called on the Biden Administration to reverse the designations. At his [confirmation hearing](#), Secretary of State Antony Blinken remarked that he would review the policy to ensure it is not impeding humanitarian assistance.

With the Biden Administration temporarily allowing “all transactions” with the Houthis (to include commercial imports), U.S. officials may be trying to reassure private actors that their operations may continue, while signaling the Houthis that the FTO designation may be lifted if peace negotiations advance.

[8 U.S.C. §1189](#) authorizes the Secretary of State to revoke an FTO designation, upon completion of an administrative review, if (1) circumstances underlying the designation have changed, or (2) for national security reasons. No previous revocations [have cited national security grounds for justification](#).

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